

Message Text

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PAGE 01 JIDDA 06966 130610Z
ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 AID-05 COME-00 EB-08 FRB-03 TRSE-00
XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 /084 W
-----085525 132155Z /61

R 130435Z OCT 77
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC 9855
INFO AMEMBASSY ABU DHABI
AMEMBASSY AMMAN
USINT BAGHDAD
AMEMBASSY BEIRUT
AMEMBASSY DAMASCUS
AMEMBASSY DHAHRAN
AMEMBASSY DOHA
AMEMBASSY KUWAIT
AMEMBASSY MANAMA
AMEMBASSY SANA
USLO RIYADH

C O N F I D E N T I A L JIDDA 6966

E.O. 11652: GDS
TAGS: ETRD, PFOR, SA, US
SUBJECT: SAUDI MINISTER OF COMMERCE ON BOYCOTT MATTERS

1. EMBASSY JIDDA HEREBY TRANSMITS MEMCON PREPARED TO USLO
RIYADH OF AMBASSADOR WEST'S CALL ON MINISTER OF COMMERCE
SULEIMAN SOLAIM.

2. BEGIN TEXT: SUMMARY: AMBASSADOR PAIR COURTESY CALL
OCTOBER 4 OF SAUDI MINISTER OF COMMERCE SULEIMAN SOLAIM
DISCUSSION CENTERED ON CLOSE HISTORICAL RELATIONS BETWEEN
SAUDI ARABIA AND U.S. AND ON CURRENT SITUATION REGARDING
ARAB BOYCOTT. SOLAIM DECLARED STRONG DESIRE OF SAG TO
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MAINTAIN AND STRENGTHEN TIES BETWEEN TWO COUNTRIES.
REGARDING BOYCOTT, HE SAID NOW THAT THERE WAS LEGISLATION
IN U.S. ON BOYCOTT, HIS GOVERNMENT INTENDED TO WORK WITH
AMERICAN BUSINESSMEN AND WITH USG TO ADAPT SAUDI PROCEDURES
AND LANGUAGE TO EXISTING LAWS TO ENABLE U.S. COMPANIES TO
CONTINUE THEIR OPERATIONS IN SAUDI ARABIA. HE WAS CARE-
FUL TO POINT OUT, HOWEVER, THAT THERE WOULD BE NO CHANGES

IN SAUDI REGULATIONS THAT WOULD COMPROMISE THE BASIC PURPOSE OF BOYCOTT. END SUMMARY.

3. DURING OCTOBER 4 COURTESY CALL ON SAUDI MINISTER OF COMMERCE SULEIMAN SOLAIM, AMBASSADOR NOTED LONG AND CLOSE RELATIONS WHICH EXISTED BETWEEN U.S. AND SAUDI ARABIA. HE EXPRESSED HIS PLEASURE IN BEING US AMBASSADOR TO SAUDI ARABIA AND NOTED THAT IT WAS, IN PART, SOLAIM'S ACTIVE INVOLVEMENT WITH THE SOUTH CAROLINA TRADE MISSION, WHICH HE HEADED LAST YEAR, THAT BROUGHT HIM BACK TO THE KINGDOM. AMBASSADOR SAID THAT HE WOULD WORK FOR CONTINUED BROADENING BILATERAL REALTIONS AND THAT HE KNEW PRESIDENT CARTER WAS ALSO COMMITTED TO THIS END. SOLAIM SAID HE WAS MOST PLEASED WITH PRESIDENT'S MIDDLE EAST POLICY AND HOPED PRESIDENT WOULD REMAIN FIRM IN FACE OF OPPOSITION AND CRITICISM.

4. TURINNG TO BOYCOTT, BOTH AMBASSADOR AND MINISTER NOTED THIS WAS ISSUE WHICH COULD BECOME DIFFICULT AND COMPLICATED IN BILATERAL RELATIONSHIP. AMBASSADOR NOTED PRESENCE IN RIYADH OF JOINT STATE/COMMERCE/TREASURY TEAM TO DISCUSS IMPLEMENTING REGULATIONS FOR EXPORT ADIMINISTRATION ACT AND SAID THIS WAS ATTEMPT TO MAINTAIN ONGOING DIALOGUE. SOLAIM THEN DESCRIBED SITUATION AS HE SAW IT. BOTH SAUDI ARABIA AND U.S. NOW HAVE POLICIES ON BOYCOTT -- SAUDI ARABIA, A ROYAL DECREE, AND U.S. ITS NEW LEGISLATION. CONFIDENTIAL

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DURING TIME LEGISLATION WAS UNDER CONSIDERATION, STATEMENTS BY SAUDI OFFICIALS MAY HAVE SEEMED STRICT AND HARSH. U.S. WOULD NOW FIND SAG PREPARED TO WORK TO CHANGE OR ALTER REGULATIONS AND PROCEDURES SO AS TO REDUCE, TO ABSOLUTE MINIMUM POSSIBLE, ADVERSE IMPACT OF LEGISLATION ON U.S. COMPANIES OPERATING IN SAUDI ARABIA.

5. SOLAIM CONTINUED TO REITERATE THAT BOYCOTT IS A POLITICAL AND ECONOMIC INSTUEMENT BEING USED DURING TIME OF WAR AGAINST AN ENEMY. IT IS NOT A RELIGIOUS OR RECIALLY BASED BOYCOTT. NOTHING WOULD BE DONE BY SAG IN PRESENT SITUATION TO UNDERMINE BASIC PURPOSE OF BOYCOTT AS WEAPON AGAINST ISRAEL, BUT THIS DID NOT MEAN THAT SAG COULD NOT TAKE ADMINISTRATIVE ACTIONS IN VIEW OF NOEW U.W. LEGISLATION. SOLAIM POINTED OUT THAT SOME PARTS OF BOYCOTT WERE ESTABLISHED BY ARAB LEAGUE AND WE COULD NOT EXPECT SAUDIS TO TAKE ACTIONS WHICH WULD VIOLATE THOSE ARAB LEAGUE DECISIONS. SAUDI ARABIA WAS, HOWEVER, PREPARED TO SUPPORT CHANGES PROPOSED BY OTHER GOVERNMENTS. GOR EXAMPLE, SEVERAL MAJOR AMERICAN FIRMS WERE PLACED ON BOYCOTT LIST IN PAST THROUGH ACTIONS OF SOME CONFRONTATION STATES. IF THOSE STATES NOW WERE TO PROPOSE THE REMOVAL

OF THOSE COMPAINES FROM BOYCOTT LIST, SAUDI ARABIA IS PREPARED TO SUPPORT PROPOSAL. SOLAIM ALSO ADDED THAT HE HAD JUST COME FROM BAGHDAD AND HAD BEEN ON SAME PLANE AS BAHRAIN DELEGATION. HE SAID THE BAHRAINIS HELD SAME VIEW AND WOULD ALSO SUPPORT PROPOSALS PRESENTED BY CONFRONTATION STATES LIKE EGYPT TO REMOVE CERTAIN U. S. COMPANIES FROM BOYCOTT LIST.

6. IN CLOSING, MINISTER REPEATED THAT SAG WANTED TO BE ADAPTIVE AND FLEXIBLE AS IT SEEKS TO ADDRESS ITS POLICY ON BOYCOTT AND NEW U.S. LEGISLATION. HE SAID SAG WOULD BE LOOKING FOR WAYS TO REMOVE PRESSURE FROM U.S. FIRMS SO THEY CAN COMPLY WITH TERMS OF NEW LEGISLATION. HE REITERATED THAT IT IS SAG POLICY TO PROMOTE CONTINUED

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INVOLVEMENT OF U.S. BUSINESS IN KINGDOM AND HE LOOKED FORWARD TO CHANCE OF MEETING WITH STATE/COMMERCE/TREASURY TEAM AND TO FURTHER CONVERSATIONS WITH EMBASSY ON WAYS WE CAN WORK TOGETHER ON BOYCOTT MATTERS. END TEXT.
WILEY

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Control Number: n/a
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Disposition Approved on Date:
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